AJILI MOJILI INCORPORADO

FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

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AJILI MOJILI INCORPORADO
BALANCE SHEETS
December 31, 2009 and 2008

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash in bank -- Notes A and B	$ 4,925	$ 4,587
Accounts receivables -- Note B	7,097	4,203
Due from 1052 Partners, Inc. -- Note C	207,630	207,630
Inventory -- Note A	22,029	28,757
Prepaid income tax	65,824	65,824
Prepaid expenses	40,649	40,649
TOTAL CURRENT ASSETS	348,154	351,650
PROPERTY AND EQUIPMENT, at cost		
Equipment	53,816	53,816
Furniture and fixtures	8,252	8,252
Building improvements	501,158	501,158
Vehicles	17,525	17,525
	580,751	580,751
Less accumulated depreciation and amortization	(293,778)	(251,987)
	286,973	328,764
OTHER ASSETS		
Goodwill	58,267	58,267
Loan deferred charges	60,480	67,200
Deposits	4,200	4,200
	122,947	129,667
TOTAL ASSETS	$ 758,074	$ 810,081

	2009	2008
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Line of credit -- Note D	$ 80,582	$ 60,895
Current portion loans payable -- Note E	7,330	6,752
Accounts payable	247,085	189,427
Accrued liabilities	269,414	34,999
TOTAL CURRENT LIABILITIES	604,411	292,073
LONG-TERM DEBT		
Loans payable -- Note E	824,064	830,371
Due to stockholders -- Note G	113,157	94,011
	937,221	924,382
TOTAL LIABILITIES	1,541,632	1,216,455
COMMITMENTS -- Note F		
STOCKHOLDERS' EQUITY		
Common stock, $100 par value; authorized 10,000 shares; 8 shares issued and outstanding	800	800
Additional paid-in capital	100,000	100,000
Accumulated deficit	(884,358)	(507,174)
	(783,558)	(406,374)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 758,074	$ 810,081

The accompanying notes are an integral part of these statements.

AJILI MOJILI INCORPORADO
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT
For the years ended December 31, 2009 and 2008

	2009	2008
NET SALES	$2,202,875	$2,740,011
COST OF GOODS SOLD	837,075	1,038,704
GROSS PROFIT	1,365,800	1,701,307
GENERAL AND ADMINISTRATIVE EXPENSES	1,618,097	1,727,154
Operating loss	(252,297)	(25,847)
OTHER EXPENSE		
Depreciation and amortization	(48,511)	(43,870)
Interest expense	(76,376)	(71,822)
	(124,887)	(115,692)
NET LOSS	(377,184)	(141,539)
ACCUMULATED DEFICIT, beginning of year	(507,174)	(365,635)
ACCUMULATED DEFICIT, end of year	($ 884,358)	($ 507,174)

The accompanying notes are an integral part of these statements.

AJILI MOJILI INCORPORADO
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customer	$ 2,199,981	$2,749,339
Cash paid to suppliers and general and administrative expenses	(2,156,371)	(2,849,261)
Interest paid	(76,376)	(71,821)
NET CASH USED IN OPERATING ACTIVITIES	(32,766)	(171,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans payable	0	838,000
Principal payments of loans payable	(5,729)	(804,640)
Net advances from stockholders	19,146	(1,004)
Advances from line of credit	19,687	60,895
NET CASH PROVIDED BY FINANCING ACTIVITIES	33,104	93,251
NET INCREASE (DECREASE) IN CASH	338	(78,492)
CASH, beginning of year	4,587	83,079
CASH, end of year	$ 4,925	$ 4,587

The accompanying notes are an integral part of these statements.

AJILI MOJILI INCORPORADO
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2009 and 2008

DRAFT FOR DISCUSSION PURPOSE ONLY

	2009	2008
RECONCILIATION OF NET LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Net loss	($377,184)	($141,539)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Depreciation and amortization	41,791	41,364
Amortization of deferred loan charges	6,720	2,506
Changes in assets and liabilities:		
(Increase) Decrease in assets:		
Accounts receivable-trade	(2,894)	9,328
Due from 1052 Partners, Inc.	0	4,234
Inventories	6,728	(2,500)
Prepaid assets	0	(10,327)
Other assets	0	(63,429)
Increase (Decrease) in liabilities:		
Accounts payable	57,658	(46,379)
Accrued liabilities	234,415	34,999
	344,418	(30,204)
NET CASH USED IN OPERATING ACTIVITIES	($ 32,766)	($171,743)

The accompanying notes are an integral part of these statements.

DRAFT FOR DISCUSSION
PURPOSE ONLY

AJILI MOJILI INCORPORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE A -- SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Operations: Ajili Mojili Inc. (the Company) was incorporated on September 1995, under the laws of the Commonwealth of Puerto Rico and commenced operations in January 1, 1996 as a corporation. The Company is engaged in the operation of a restaurant under the trade name of Restaurante Ajili Mojili.

Summary of significant accounting policies: The accounting policies used by the Company conform to predominant industry practices and follow accounting principles generally accepted in the United States of America. The following summarizes the most significant accounting policies

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Inventories: Are stated at the lower of cost (first-in, first-out method) or market.

Property and equipment: Is stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the assets which fluctuates between 5-10 years.

At the time, property and equipment is sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the books and the resulting gain or loss, if any, is charged to operations.

Goodwill: Cost of investments for the purchased companies in excess of the underlying fair value of net assets at dates of acquisition was recorded as goodwill and assessed annually for impairment. If considered impaired, goodwill will be written down to fair value and a corresponding impairment loss recognized.

Accounting for Uncertain Tax Positions: The Corporation follows the provisions of "FIN 48", *Accounting for Uncertainty in Income Taxes*. FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in a enterprise's financial statements in accordance with Accounting Standard Codification, *Accounting for Income Taxes*. FIN 48 requires an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination.

The determination of uncertain tax positions for financial statements prior to the implementation of FIN 48 uses the tax judgments reported on the Corporation tax returns which are based on the requirements for tax filings under taxing authorities for the applicable year. These filings may be subject to amendment or change during an examination by the various taxing authorities, which has not been considered in the determination of the Corporation tax assets or liabilities included in the financial statements. The Corporation does not expect the impact of adopting FIN 48 on its financial statements to be material.

NOTE B -- CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. As of December 31, 2009 and 2008, the Company had its cash in one high credit financial institution, and the cash balances did not exceed the Federal Deposit Insurance Corporation guaranty of $250,000.

Concentrations of credit risk with respect to accounts receivable is limited due to the high volume of individuals comprising the Company's customer base.

NOTE C -- INVESTMENT IN 1052 PARTNERS, INC.

During 2006, in connection with the distribution of earnings from 1052 Partners, Inc., the Company has recognized accounts receivable of $739,630. Subsequent to 2006 the Company collected a partial payment of $532,000, resulting a remaining balance due from 1052 Partners, Inc. to $207,630 which the company expected to collect. The final amount to be received may differ from the amount recorded in the Company's records due to actual liquidation of 1052 Partners, Inc. Management of 1052 Partners, Inc. believes that the amount recorded is a reasonable estimate of the amount to be received.

NOTE D -- LINE CREDIT

The company has a revolving line of credit, in which they many borrow up to $81,000. The line of credit is renewable on January 2015. This line is collaterized by inventory and account receivable from 1052 Partners, Inc.

NOTE E -- LOANS PAYABLE

The following is a summary of loans payable:

	2009	2008
Loan payable in one hundred nineteen (119), monthly installments of $3,147, including interest at 8.25%, plus a balloon payment for the remaining amount. The loan is collateralized by a leasehold mortgage over leasehold improvements and personal guarantees of the principal stockholders. This loan expires in September 2018.	$415,697	$418,562
Loan payable in one hundred nineteen (119), monthly installments of $3,147, including interest at 8.25%, plus a balloon payment for the remaining amount. The loan is collateralized by a leasehold mortgage over leasehold improvements and personal guarantees of the principal stockholders. This loan expires in September 2018.	415,697	418,561

NOTE E -- LOANS PAYABLE (Continued)

The following is a summary of loans payable (Continued):

	2009	2008
	831,394	837,123
Less: Current portion	7,330	6,752
Long-term portion	$824,064	$830,371

Principal maturities of loans payable for the next five years after December 31, 2009, under the new loans terms are as follows:

Years ending December 31	
2010	$ 7,330
2011	7,958
2012	8,640
2013	9,380
2014	10,186
Thereafter	780,570
	$824,064

NOTE F -- OPERATING LEASE AGREEMENTS

The company operates its facilities on leased premises that call for the following monthly rental payments:

Year ending December 31	Amount
October 2007 through September 2012	$ 18,000
October 2012 through September 2017	20,000

NOTE F -- OPERATING LEASE AGREEMENTS(CONTINUED)

Minimum lease commitments under the above lease agreement during each of the five (5) agregatte years and thereafter are as follows:

Year ending December 31	Amount
2010	$ 216,000
2011	216,000
2012	216,000
2013	222,000
2014	240,000
Thereafter	900,000
	$2,010,000

The company entered into a verbal agreement with the landlord where they reduced the contract lease amounts during 2009. Facilities rent expense for the years ended December 31, 2009 and 2008 amounted to$113,000 and $216,000, respectively.

NOTE G -- DUE TO STOCKHOLDERS

As of December 31, 2009, the Company had an account payable for the amount of $113,157, due to its stockholders. The account payable bears no interest and has no repayment term. It has been classified as long-term obligation based on management and lenders' intention regarding the repayment of the account payable.

NOTE H -- INCOME TAX

The Company provides for income tax using the applicable Puerto Rico income tax statutory rates. The effective income tax rate might be higher than the maximum applicable statutory rates, due to certain non-deductible expenses for income tax purposes. No taxable income resulted for the year ended December 31 2009 and 2008.

NOTE I -- GOING CONCERN

For fiscal year ended December 31, 2009, the Corporation incurred in a net loss of $377,184, after having recurrent losses in previous years. As of such date, the Corporation had a deficiency in working capital of $256,257 and a deficiency in equity of $783,558. These conditions raise substantial doubt about the Corporation's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

AJILI MOJILI INCORPORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE J -- SUBSEQUENT EVENTS

The management of the entity has evaluated subsequent events through the auditors' report date and has determined that no further accruals or disclosures are required in the accompanying financial statements.